

Amendments to the Specification:

Please replace the paragraph beginning at page 24, line 1 as with the following amended paragraph:

The impedances of all step-down transformers used to couple each identified critical line segment of the transmission network and distribution line are then measured (step 204). In general, the impedance is reactive. The step-down transformers are evaluated because of the significant amount of loss they contribute to the overall loss in a utility power network. The inductance of these transformers can contribute as much as 40% of the total loss. Those transformers having the highest impedances are then selected as candidates for connection to a D-SMES module. If, for example, three D-SMES modules are available for use, the three identified critical line segments will be those meeting the minimum load requirement and having the three highest step-down transformer impedances would be selected for installation of D-SMES devices (step 206) (See Fig. 4B).

Please add the following new paragraph after the paragraph ending at page 14, line 6:

Fig. 4B is a block diagram of a utility power network with a plurality of voltage recovery devices.